

NOx Budget Program 2005 Recap

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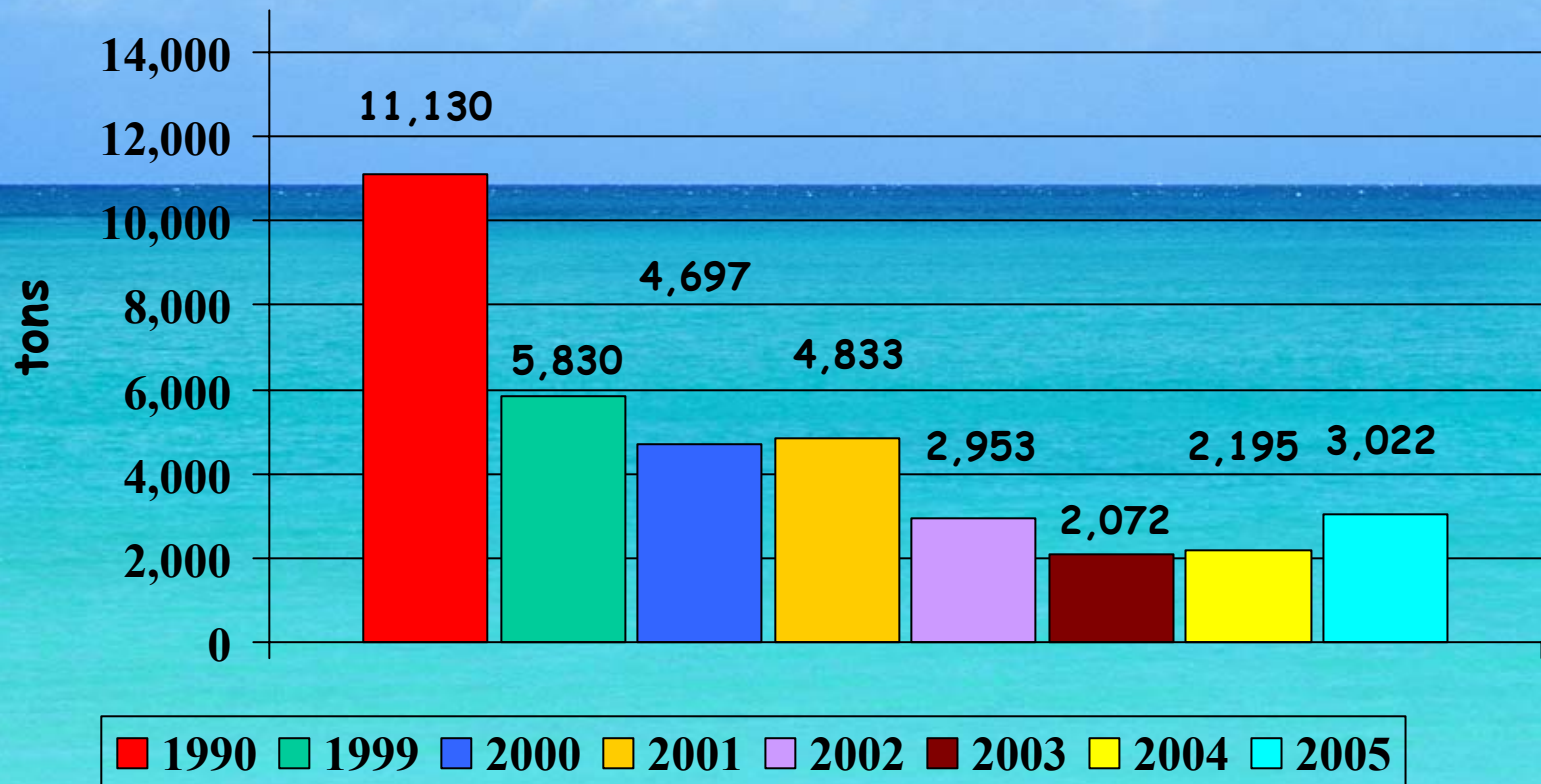
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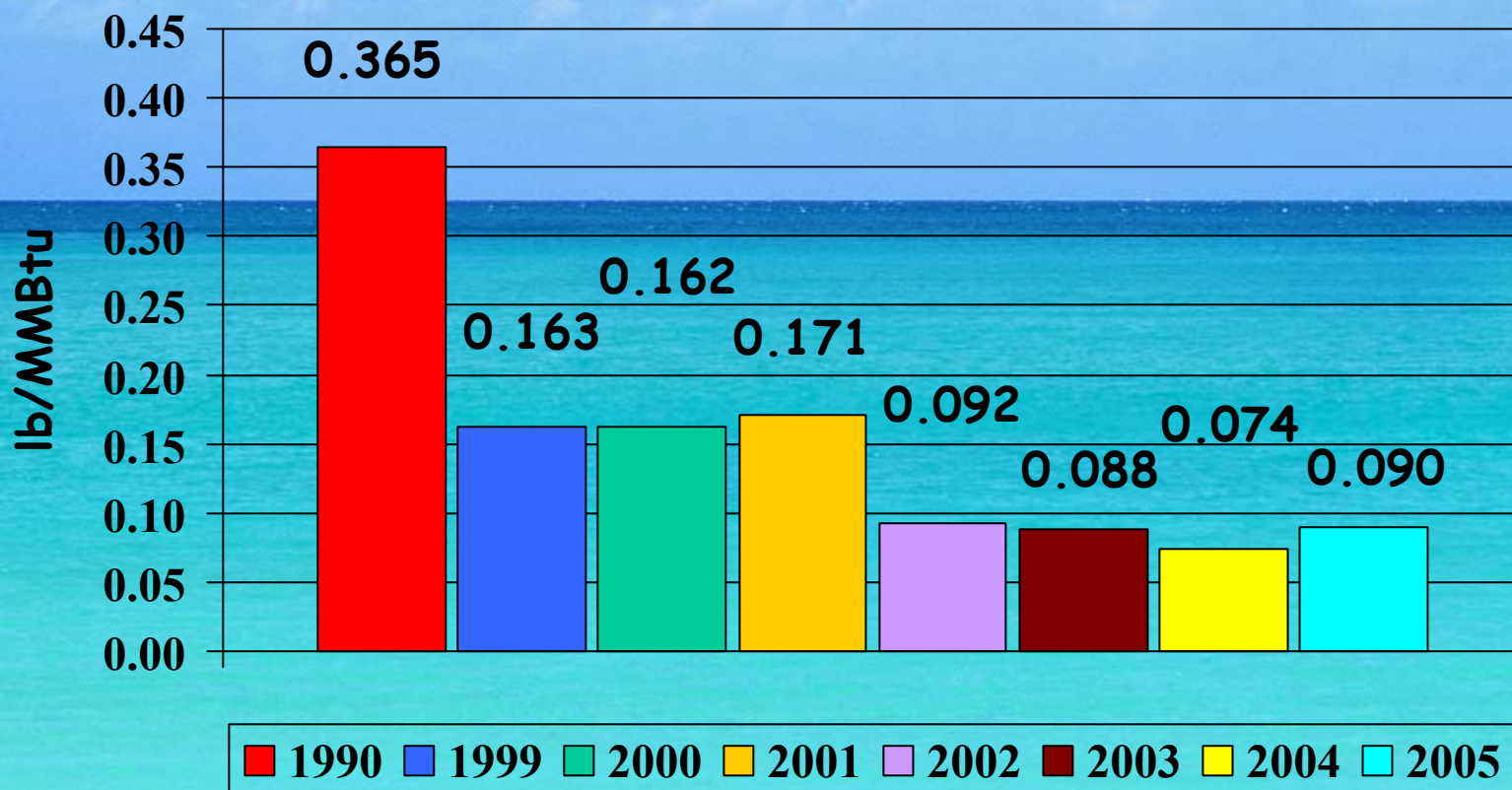
2005 NBP Highlights

- © **In the trading region**, ozone season NOx emissions (**529,922 tons**) were above the NBP target (**520,964 tons**)
- © **In Connecticut**, ozone season NOx emissions (**3,022 tons**) were below the NBP target (**4,466 tons**).
- © Currently a total of **195,321** banked allowances in the region.

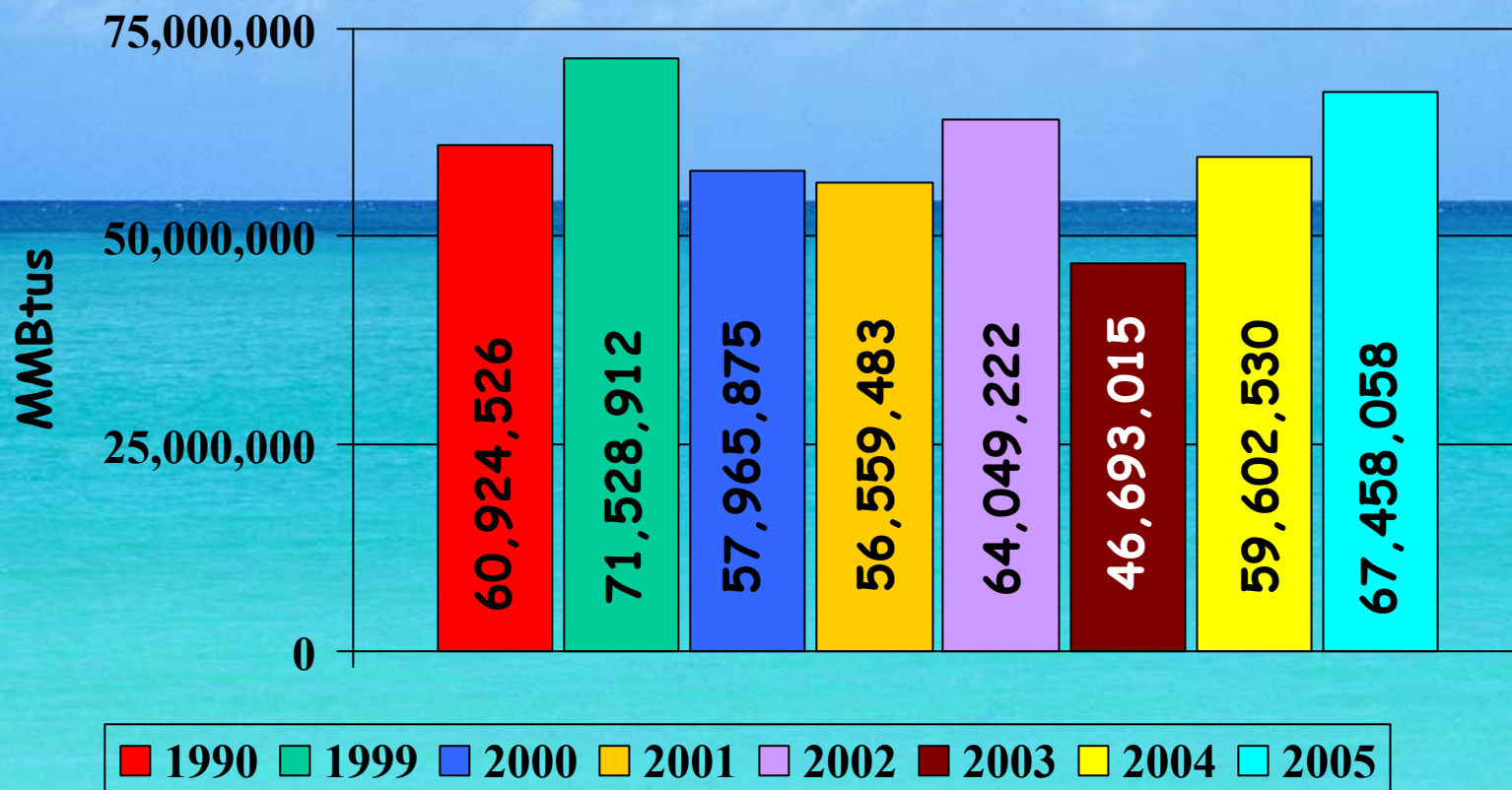
Ozone Season NO_x Emissions by NBP Sources in CT



Ozone Season Average NO_x Emission Rate of NBP Sources in CT



Ozone Season Heat Input by NBP Sources in CT



Progressive Flow Control

- ◎ If the total number of banked allowances is more than 10% of the current year SIP Call NO_x Budget, then a PFC ratio is calculated.
- ◎ This PFC ratio determines how many banked allowances can be used for reconciliation purposes at a 1:1 ratio before a discounted 2:1 ratio kicks in.

PFC - How is it calculated?

© **PFC ratio** = $(0.10 \times \text{total SIP Call NO}_x \text{ budget for the current season}) / \text{total number of banked allowances from previous year(s)}$

© **Year 2006 PFC ratio = 0.27**
 $= (0.10 \times 520,957) / 195,321$

© This means that the first **27%** of banked allowances in an account can be used for reconciliation at a 1:1 ratio for the 2006 ozone season.

NBP in 2006

- © Initial round of allocations was completed in May 2006.
- © **224** allowances (set aside for new units) will be allocated post-ozone season.
- © **REMINDER:** The Allowance Transfer Deadline under 22b is **November 30th**

Future of NBP

- © Current NBP to be replaced by CAIR beginning in 2009.
- © Banked NO_x allowances **vintage 2003-2008** will be carried forward as banked allowances under CAIR.